



Good Financial Governance in Africa

Promoting transparent and responsible use of public finances in Africa

Collecting the money: Tax Policy and Administration

Effective revenue collection provides a government with funds that are needed to develop the country, alleviate poverty, and to deliver much-needed public services. Fiscal pressures in many African countries are growing. Hence, there is an urgent need to strengthen domestic resource mobilisation (DRM) in order to attain the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015.

In addition to the financial pressure felt in Africa, Illicit Financial Flows (IFFs) are depleting the resources of countries on the continent. The Panama Papers, leaked in April 2016, revealed cases of large-scale tax avoidance, especially by multinational companies that exploit incomplete national tax legislation in these countries. Corruption, criminal activities and international commercial transactions with tax avoidance as main goal threaten DRM – the very requirement for achieving the SDGs.



Students from the first intake of the Executive Master's in Taxation (EMT) during their official graduation ceremony in March 2016. (Photo © GIZ)

The role of taxpaying citizens

Taxpaying citizens expect a service in return for the money they pay to the government. They want public funds to be used for the public benefit, and they have the right to hold the government accountable. A capable and efficient tax system is crucial for establishing good governance and democracy, as it promotes accountability and ownership between a country and its citizenry.

The key partner: The African Tax Administration Forum

One of the key partners of GIZ's Good Financial Governance (GFG) in Africa programme in the area of tax policy and tax administration is the African Tax Administration Forum (ATAF). ATAF is a regional member-based network of African tax administrations, founded in 2009 to provide relevant services to its members and represent their interests in international tax debates. To date, ATAF has 38 member countries throughout the African continent.

The GFG in Africa programme supports ATAF by providing strategic, technical and organisational expertise, as well as advisory services. It assists in forming sound policies, organisational structures and effective methods of management. For more information on ATAF, visit www.ataftax.org.

For better results: High-performing tax administrations

Tailor-made capacity development and knowledge exchange activities increase the effectiveness of tax administrations. GIZ assists ATAF in enhancing the competencies and knowledge of African tax administration officials.

ATAF offers training programmes, using blended learning courses (combining online and face-to-face training) on, for example, double taxation agreements and tax auditing. Experts provided by the programme contribute to practitioners' perspectives and impart international experience on governance and tax reforms.

Furthermore, ATAF provides specialised in-country advisory services for African revenue authorities in areas such as transfer pricing and exchange of information (Eol). A web-based portal



Maurice Ochieng is giving a lecture on tax administration reforms in an EMT module.
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Sharing knowledge: The African Tax Research Network and the African Tax Outlook

GIZ assists ATAF in the establishment of a knowledge exchange platform beyond borders among ATAF member countries. The African Tax Research Network (ATRN) aims to facilitate up-to-date African research in tax policy, administration and legislation. The second ATRN congress, titled “Financing sustainable development in Africa: Identifying untapped and underutilised sources of revenue”, took place in Seychelles in September 2016. Some 150 participants attended, including 70 presenters from 52 countries, most of which were African.

The *African Tax Outlook (ATO)* is a yearly publication on quantitative and qualitative African tax data that provides valuable, practical and relevant descriptive and analytical work on tax issues to improve tax administration and inform tax policy formulation and implementation in Africa. The first issue of the ATO was published in June 2016.

with well-defined application, implementation and evaluation processes and procedures, the Technical Assistance Facility, will help to standardise and institutionalise these services in future.

Tailor-made for African needs: The Executive Master’s in Taxation

The partnership between GIZ and ATAF has produced a higher education programme called the Executive Master’s in Taxation (EMT), tailor-made to the needs and conditions of African revenue authorities. The 15-month Master’s programme follows a practice-oriented and interactive learning approach, combines a political, economic, organisational and legal perspective on the issue of taxation, and unites local and international expertise through African-European cooperation with universities and training institutions.

Since 2014, some 70 government officials from ministries of finance and revenue authorities from 24 ATAF member countries have been trained in Berlin, Johannesburg, Dakar and Port Louis. For more information on the Anglophone and Francophone branches of the EMT, visit the EMT websites at www.emtaxation.org and www.emtfrancophone.org.



Students of the EMT Master’s programme presented their research papers at the first ATRN congress in 2015.
(Photo © ATAF)

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